



Health Professionals and Allied Employees, AFT/AFL-CIO
RETIREE MEDICAL TRUST

140 Sylvan Avenue - Suite 303
Englewood Cliffs, NJ 07632

TO: BOARD OF TRUSTEES
HPAE RETIREE MEDICAL TRUST

DATE: MAY 9, 2016

FROM: LUCILLE HART
BENSERCO, INC., ADMINISTRATOR

RE: ADMINISTRATOR'S REPORT

WE ARE PLEASED TO REPORT ON THE STATUS OF THE FOLLOWING TRUST MATTERS:

1. **PARTICIPATING HOSPITALS.** CURRENTLY, TWELVE (12) EMPLOYERS HAVE SIGNED AGREEMENTS TO PARTICIPATE IN THE RETIREE MEDICAL TRUST. FOLLOWING IS THE STATUS OF EACH EMPLOYER:

HOSPITAL	NUMBER OF EMPLOYEES CONTRIBUTING	AVERAGE MONTHLY CONTRIBUTION	FIRST MONTH OF CONTRIBUTIONS
COOPER UNIVERSITY HOSPITAL & MEDICAL CENTER	961	\$27,071	JANUARY 2007
MEADOWLANDS HOSPITAL & MEDICAL CENTER	54	\$1,468	MARCH 2007
PALISADES MEDICAL CENTER	266	\$7,585	MARCH 2007
CHRIST HOSPITAL	284	\$7,489	AUGUST 2007
HPAE	40	\$1,247	JULY 2007 - EMPLOYER CONTRIBUTION
ENGLEWOOD HOSPITAL & MEDICAL CENTER	488	\$13,640	FEBRUARY 2008
VIRTUA/MEMORIAL HOSPITAL	594	\$17,228	FEBRUARY 2008
RUNNELLS HOSPITAL	25	\$543	JANUARY 2010 - EMPLOYER CONTRIBUTION
JERSEY SHORE MEDICAL CENTER	859	\$27,381	SEPTEMBER 2010
SOUTH JERSEY MEDICAL CENTER	637	\$20,522	JUNE 2015
SOUTHERN OCEAN MEDICAL CENTER	257	\$6,199	JANUARY 2016
INSPIRA/WOODBURY HEALTHCARE	328	\$6,539	FEBRUARY 2016
TOTAL	4793	\$136,912	

2. CLAIM ACTIVITY

DURING THE FOUR (4) MONTHS ENDING APRIL 30, 2016, THE TRUST PAID BENEFITS TOTALING \$14,135.29 ON BEHALF OF 41 PARTICIPANTS, OF WHICH 23 PARTICIPANTS WERE REGULAR BENEFICIARIES AND 18 PARTICIPANTS WERE LIMITED BENEFICIARIES.



**HEALTH PROFESSIONALS AND ALLIED EMPLOYERS, AFT/AFL-CIO
RETIREE MEDICAL TRUST
140 SYLVAN AVENUE – SUITE 303, ENGLEWOOD CLIFFS, NJ 07632
PHONE (201) 947-8000 ♦ FAX (201) 947-9192**

To: Board of Trustees
HPAE Retiree Medical Trust

Date: May 9, 2016

From: Benserco, Inc.

Re: Annual Participant Statements

On April 29, 2016 we mailed the first Annual Statements to 6,369 Participants in the HPAE Retiree Medical Trust. The Statement shows the Participant's first year of contributions, total contributions through December 31, 2015 and the Participant's status (Active or Inactive) as of December 31, 2015. A sample Statement is attached. Following is a summary of the December 31, 2015 Annual Statements.

Total Participants (excludes Regular and Limited Beneficiaries in pay status, COBRA and Suspended Participants)	6,967
Participants with less than \$10 in contributions as of December 31, 2015	(154)
Participants with missing or bad addresses	(444)
Total Statements Produced	6,369
Participant Statistics as of December 31, 2015	
Active Employees	3,962
Inactive Employees	2,407
Highest Contributions	\$5,554.51
Lowest Contributions	\$10.05
Average Contribution	\$1,417
Median Contribution	\$1,149
Highest Active Service Years	9
Lowest Active Service Years	0
Average Active Service Years	3.77
Median Active Service Years	3.00
Contributions as of December 31, 2015	
Statements Produced (6,369)	\$9,025,183.50
Participants with less than \$10	\$358.11
Participants with missing or bad addresses	\$369,526
Total	\$9,395,067.61



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Annual Participant Statement - December 31, 2015

Dear

You are a participant in the HPAE Retiree Medical Trust (the "Trust"), which funds the Medical Expense Reimbursement Plan. The Health Professionals and Allied Employees AFT/AFL-CIO established the Trust to provide financial support for participating HPAE members for out-of-pocket medical costs (premiums, deductibles, co-pays, eyeglasses, etc.) during retirement.

The following information advises you of the total contributions made on your behalf (either by you and/or an employer), the number of Years of Active Service that you have earned, and your participant status. All information is as of Dec. 31, 2015.

Date Contributions Began: 8/1/2007
Total Amount of Contributions as of 12/31/15: \$3,073.20
Years of Active Service as of 12/31/15: 8.00
Status as of 12/31/15: Active

The information above is based on data/contributions we have received to date, and might change. If you believe that any of the above information is incorrect, please contact Tara Carter of the Trust Office at 201-947-8000 or by email at quatara.carter@benserconj.com. You may also contact us at the address above.

This Annual Participant Statement provides you information about your benefits in the Trust, but it does not provide you with the details and limitations of your benefit plan. For example, your eligibility for benefits as a "limited" or "regular" beneficiary depends on the number of years of Active Service that you have earned, and your age. Exact specifications are provided in the formal document entitled "Health Professionals and Allied Employees Retiree Medical Trust Summary Plan Description and Medical Expense Reimbursement Plan" (Issue Date: August 2014), and as subsequently amended, which will prevail in case of conflict with this Statement. For further information about the Trust, please go to www.hpae.org and click on the link for HPAE Retiree Medical Trust, or contact the Trust Office (address above) for a copy of the Plan.

Delivery of your Benefits: In order to ensure that the Trust will be able to deliver benefits to you after you retire, we need you please to complete the enclosed Participant Information Card. Then sign, date, and mail the Card to the address above, or fax the Card to 201-947-9192. Even if you think we have this information already, please send in the Card.

From the Board of Trustees
HPAE Retiree Medical Trust



**HEALTH PROFESSIONALS AND ALLIED EMPLOYEES
RETIREE MEDICAL TRUST
STATEMENT OF FINANCIAL CONDITION
APRIL 30, 2016
UNAUDITED**

ASSETS

	APRIL 30, 2016
CASH & CASH EQUIVALENTS	199,686
INVESTMENTS	<u>11,673,901</u>
TOTAL ASSETS	11,873,586

LIABILITIES AND NET ASSETS AVAILABLE

NET ASSETS	<u>11,873,586</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>11,873,586</u></u>



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**Health Professionals & Allied Employees
AFT/AFL-CIO Retiree Medical Trust**

May 9, 2016

Elizabeth M. Westvold, CFA
Senior Vice President

617-807-1996
ewestvold@payden.com

Jeffrey W. Murphy
Portfolio Analyst

617-807-1994
jmurphy@payden.com

Portfolio Characteristics

As of March 31, 2016



Portfolio Characteristics

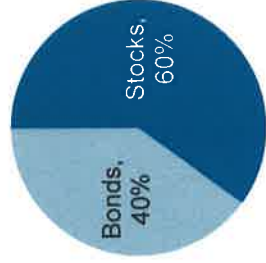
Market Value: \$11.5 million
 Portfolio Yield: 2.4%

Stocks

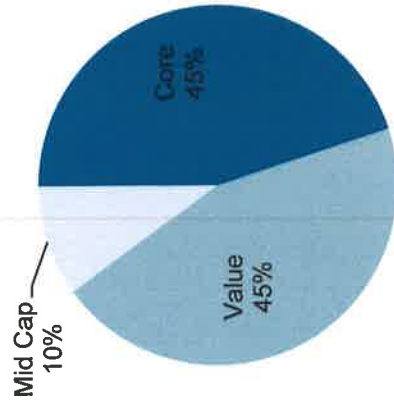
PE Ratio: 18.5x
 Avg Market Cap: \$111.1 B
 Distribution Yield: 2.3%

Bonds

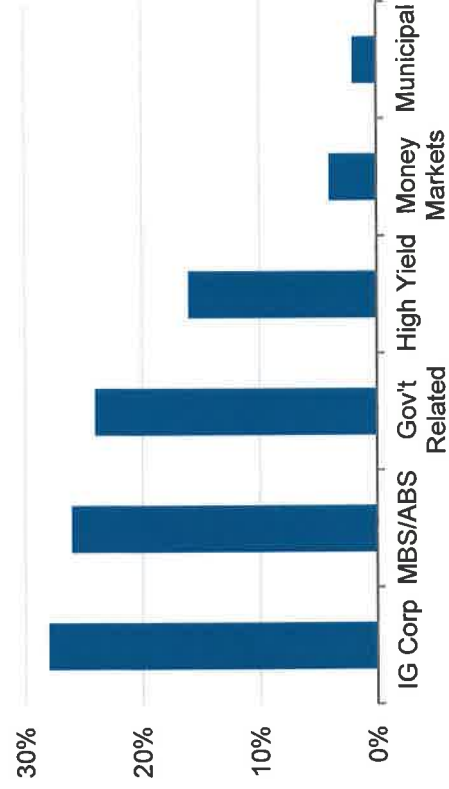
Avg Credit Quality: A+
 Avg Duration: 4.2 yrs
 SEC Yield: 2.4%



Stocks



Bonds



Portfolio Performance

As of March 31, 2016



PORTFOLIO RETURNS

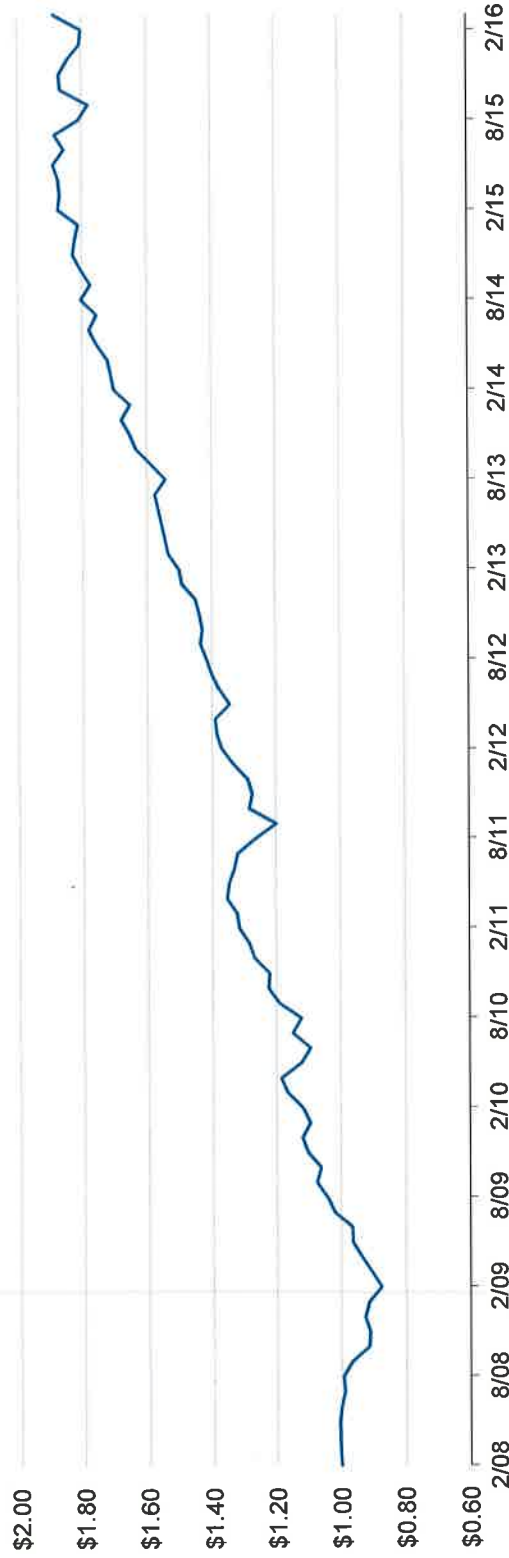
	1st Quarter 2016	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception (2/25/2008)
Portfolio Total Return *	2.35%	1.01%	7.15%	7.37%	8.15%
Benchmark**	2.10%	2.09%	8.15%	8.59%	6.79%
S&P500 Index	1.34%	1.77%	11.79%	11.55%	7.45%
Barclays Aggregate Index	3.03%	1.96%	2.50%	3.77%	4.55%

Periods over one year are annualized.

*Gross of investment management fees, net of mutual fund fees

** 60% S&P 500, 40% Barclays Aggregate. Benchmark inception 3/1/2008.

Economic Return



Portfolio Holdings



Security Description (as of 3/31/2016)	Market Value	% Class	% of Total	Comments
Core Bond Fund	\$ 3,060,556	65%	26%	Diversified bonds
Strategic Income Fund	609,749	13%	5%	Multi-sector approach
3-7 Year Treasury Bond ETF	562,522	12%	5%	Focused duration exposure
Floating Rate Fund	469,353	10%	4%	Floating rate bank note exposure
Bonds Total:	4,702,180	100%	40%	
Equity Income Fund	\$ 3,144,022	45%	27%	High dividend strategy
S&P 500 Index Fund/S&P 500 ETF	3,124,216	45%	27%	Diversified large cap stocks
Mid-Cap Index ETF	703,483	10%	6%	US mid-cap stocks
Stocks Total:	\$ 6,974,721	100%	60%	
US Gov't Money Market Fund	\$ 34,524		0.3%	Additional Liquidity
Cash	77,027		0.7%	Additional Liquidity
Account Total:	\$ 11,785,452		100%	

Inflation Adjusted Portfolio Returns

As of March 31, 2016



PORTFOLIO RETURNS			
	Trailing 3 Years	Trailing 5 Years	Since Inception (2/25/08)
Trust Portfolio Return*	7.15%	7.37%	8.15%
- Estimated Investment Mgmt. Fee	0.13%	0.13%	0.13%
= Portfolio Return After IM Fee	7.02%	7.24%	8.02%
- CPI Inflation**	0.95%	1.53%	1.50%
Trust Portfolio Real Return	6.07%	5.71%	6.52%
- Actuarial Target	6.00%	6.00%	6.00%
Excess Real Return	0.07%	-0.29%	0.52%

Periods over one year are annualized.

*Gross of investment management fees, net of mutual fund fees

**Consumer Price Index (CPI) is one of the most widely recognized price measures for tracking the price of a market basket of goods or services purchased by individuals. The weights of the components are based on consumer spending patterns.